



# TOWN OF ERIE

645 Holbrook Street  
Erie, CO 80516

## Town Council

**Board Meeting Date: 5/12/2020**

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**File #:** 20-237, **Version:** 1

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**SUBJECT: CONSENT**

A Resolution of the Board of Trustees of the Town of Erie Approving the Fourth Amendment to the Lynn R. Morgan Water Treatment Facility Expansion CMAR Contract With Garney Companies, Inc.

**DEPARTMENT:** Public Works

**PRESENTER/PREPARER:** Todd Fessenden, Public Works Director  
Wendi Palmer, Civil Engineer

**TIME ESTIMATE:**

**FISCAL SUMMARY:**

Cost as Recommended:	\$1,848,281
Balance Available:	\$ 629,747
	\$1,515,304
Fund:	Water
Budget Line Item Number:	500-70-110-605000-100258(with supplemental appropriation) 500-70-110-605000-100305(with supplemental appropriation)
New Appropriation Required:	No

**STAFF RECOMMENDATION:**

Approve the Resolution to amend said agreement, authorizing the appropriate Town officer to execute said agreement and authorize staff to expend budgeted funds.

**SUMMARY AND BACKGROUND OF SUBJECT MATTER:**

**Background:**

The 2020 Water Fund Budget has funds appropriated for constructing the Water Treatment Plant Expansion and for the construction of a Hydroelectric (turbine) Facility at the Water Treatment Plant. This turbine is anticipated to supply 20% of the existing plant power demand, and the power generation will increase as the Town grows.

During the design of the Water Treatment Plant Expansion project, the Town had the opportunity to perform a feasibility study, with partial grant funding from Colorado Water Resources and Power Development Authority in the amount of \$15,000, for a hydroelectric facility at the water treatment plant. The Feasibility Study was presented to the Board at the August 27, 2019 Board of Trustees meeting at which time a professional services agreement was approved for Burns & McDonnell to design the hydroelectric facility. Staff informed the Board of Trustees we intended to bring to the

Board an amendment to the CMAR contract for the construction of the hydroelectric facility; potentially contingent upon obtaining additional grant funding for the project.

Burns & McDonnell has worked with Garney Construction reviewing the 60% plans for constructability. With the completion of the 90% plans, Garney has provided a guaranteed maximum price of \$1,848,281 for the construction of the Hydroelectric Facility. With the approval of the Fourth Amendment to the CMAR Contract, Garney will bid sub-contractors and suppliers to ensure competition and the best price for the project.

Town Staff with the assistance of Burns & McDonnell submitted an application to the Department of Local Affairs (DOLA) for a Renewable and Clean Energy Grant in the amount of \$766,704. The Board approved a resolution at the December 10, 2019 Board meeting authorizing the application for funding. If the Town does not fund this project, the Clean Energy Grant would need to be returned to DOLA, this could jeopardize future funding opportunities from DOLA. Worth noting is the Town also received a \$750,000 grant from a similar DOLA grant program for the next phase of our Community Park.

#### Construction Manager at Risk (CMAR) Amendment history:

- At the February 26, 2019 Board Meeting, the Board approved Amendment 1 to the CMAR Contract with Garney, which allowed for the early procurement of membranes.
- At the May 14, 2019 Board Meeting, the Board approved Amendment 2 to the CMAR Contract with Garney for authorization for the Guaranteed Maximum Price (GMP) for the Water Treatment Plant Expansion.
- At the January 28, 2020 Board Meeting, the Board approved Amendment 3 to the CMAR Contract with Garney for authorization to extend the Zone 3 Waterline beyond the southerly property line of the water treatment plant to a location south of Marfell Street.

In addition to this resolution, on the agenda tonight is a resolution to approve a change order to Burns & McDonnell's Professional Services Agreement for providing construction administration for the hydroelectric facility project (20-238). Burns & McDonnell's expertise is needed for oversight of the construction of the hydroelectric facility.

#### Original Water Treatment Plant Expansion Project Schedule

Notice of Award	May 15, 2019
Notice to Proceed	May 22, 2019
Membrane Complete	April, 2020
Construction Complete	September, 2020

#### Hydroelectric Facility Schedule

Amendment 4 approval	May 12, 2020
CMAR bid Subs & Suppliers	June, 2020
Structure Complete	December, 2020
Install Turbine	Spring, 2021

**Fiscal Impact:**

The Water Treatment Plant Expansion Project is approximately 70% complete. At this point in the CMAR project the contractor is projecting a \$600,000 savings due to an efficient and well run project. Although at this point the \$600,000 is still encumbered, when the project closes out, the savings will be returned to the Water Fund. The costs below do not take into account this potential savings.

**Project Construction Cost**

Preconstruction Phase Services	\$ 24,210
Amendment 1 (19-078)	\$ 2,011,057
Amendment 2 (19-222)	\$ 8,750,768
Amendment 3 (20-075)	\$ 184,915
<u>Amendment 4 (20-237)*</u>	<u>\$ 1,848,281</u>
<b>Total Cost for CMAR</b>	<b>\$12,819,231</b>

**Project Design and Administrative Costs**

**Water Plant Expansion**

Design Services (18-187)	\$ 459,116
Design Services Contingency (18-187)	\$ 65,884
Construction Administration (19-223)	\$ 806,722
Hydro Design (19-292)*	\$ 134,726
<u>Hydro Construction Admin (20-238)*</u>	<u>\$ 166,158</u>
<b>Total Cost Design &amp; Administration</b>	<b>\$ 1,632,606</b>

**Total Project Cost** **\$ 14,451,837**

**Costs for the Hydroelectric Facility are designated with an \***

Engineering Costs	\$ 300,884
<u>Construction Costs</u>	<u>\$1,848,281</u>
<b>Total Cost for Hydroelectric Facility</b>	<b>\$2,149,165</b>

Funding sources for Hydroelectric Facility	
DOLA Grant	\$ 766,704
Feasibility Study Grant	\$ 15,000
<u>Water Fund</u>	<u>\$1,367,461</u>
<b>Total funding for Hydroelectric Facility</b>	<b>\$2,149,165</b>

**ATTACHMENTS:**

1. Resolution
2. Amendment No. 4 CMAR Contract